GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:6871
ANSWERED ON:10.05.2000
SPONGE IRON INDIA LIMITED
UMMAREDDY VENKATESWARLU

Will the Minister of STEEL be pleased to state:

(a) whether there is a proposal to sell-off Sponge Iron India Limited located in Andhra Pradesh;

(b) if so, the details thereof and reasons therefor;

(c) the operational status of SIIL at present;

(d) whether Sponge Iron India Limited has been producing sponge iron upto 80 per cent of the target; and

(e) the details of the economics in operation of Sponge Iron India Limited in Andhra Pradesh?

Answer

MINISTER OF STATE FOR STEEL

(SHRI DILIP RAY)

(a) & (b): The Disinvestment Commission in its XIth report has recommended disinvestment of100% of Government of India equity in SIIL after cleaning up the balance sheet i.e. by writing off Government of India`s Loans and accumulated interest thereon.The Commission has classified SIIL as a non-core PSU.

(c) At present SIIL is operating two kilns of 30,000 tonnes per annum each for production of sponge iron.The Company is also operating power plant based on recovery of heat from the waste gases of the kiln.

(d) During 1999-2000 the company achieved 82.39% of the production target. Since 1995-96, the company has been achieving more than 80% of the production target except in the year 1998-99.

(e) SIIL has been making losses continuously since year 1993-94 except in 1995-96.Losses of the Company for the last three years have been as follows:-

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1997-98    Rs.3.36 crores
1998-99    Rs.9.64 crores
1999-2000 (Prov.)  Rs.10.60 crores.
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